



District Attendees

Randy Marx	Board President
Michael McRae	Board Vice President
Mike Carey	Board Member
Gary Page	Board Member
Misha Sarkovich	Board Member
Tom R. Gray	General Manager
Michael Nisenboym	Operations Manager
Chi Ha-Ly	Finance Manager
Shawn Huckaby	Customer Service Manager
Ben Voight	Operations Superintendent

Other Attendees

Tim Menezes	Visitor
Skylar VORITY	Visitor
George Babcock	Visitor

Absent

AGENDA ITEMS

I. CALL TO ORDER

- President Marx called the meeting to order at 6:30 p.m.

II. PUBLIC COMMENT

- None.

President Marx moved item IV.1 before the consent calendar.

III. CONSENT CALENDAR

The following consent calendar items were considered and acted upon as follows:

1. Approval of Minutes
 - a. Regular Board Meeting of November 5, 2018
2. Accept and File Treasurer's Report for the month of November 2018
3. Accept and File Investment Report for the month of October 2018
4. Accept and File Financial Expense Report for the month of November 2018
5. Approval of Warrants
6. Approval of Cal Card Statements for the month of November 2018
7. Approval of Board Expense Report for the month of November 2018

Director Sarkovich moved to approve the consent calendar as presented.

Director Page seconded the motion.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

IV. PRESENTATION & CORRESPONDENCE

1. Oath of Office for Mike Carey as Director of Division 1, Michael McRae as Director of Division 2 and Gary Page as Director of Division 3

- General Manager Gray facilitated the oath of office for Directors Carey, McRae and Page.

2. Presentation of FOWD's new website

- General Manager Gray reported that the new website is live.
- Customer Service Manager Huckaby demonstrated the features on the new website.
- General Manager Gray stated that the new website is fully compliant with all applicable laws and regulations.

V. DISCUSSION AND ACTION ITEMS: OLD BUSINESS

1. Discussion and possible action on the proposed FOWD 2019 Annual Budget

- General Manager Gray recommended that the Board adopt the FOWD 2019 Annual Budget and emphasized that FOWD did not raise rates or take on any debt using a ratio of 70% surface water and 30% ground water.

Director Carey moved to adopt the FOWD 2019 Annual Budget as presented.

Director Sarkovich seconded the motion.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

2. Update and discussion on Regional Water Authority (RWA) fees

- General Manager Gray provided an update to RWA fees for 2019 and proposed that he discusses with RWA a fee restructure to charge the water district an equitable amount.
- Director Marx stated that this is great and has been a goal of the Board for several years.
- Director Page inquired if there was any argument to the fee restructure.
- General Manager Gray replied that RWA would receive less revenue.
- The Board had no objections to General Manager Gray initiating the fee restructure.

3. Update and discussion on RWA Regional Water Reliability Plan

- General Manager Gray reported on the RWA Regional Water Reliability Plan.

4. Update and discussion on RWA Lobbying Subscription Program activities

- General Manager Gray reported on the RWA Lobbying Subscription Program. The RWA hired a regulatory affairs manager to manage the lobbying efforts.
- Director Marx inquired if the program is part of their regular budget.
- General Manager Gray replied that it is part of their regular budget.

5. Discussion and possible action on FOWD Corporate Yard Design Contract

- General Manager Gray recommended that the Board schedule a special meeting to go over the proposals for the corporate yard design contract.
- Director Sarkovich stated that he is ready to award the contract today and does not need a special meeting.

Director Sarkovich moved to authorize the General Manager to enter into a contract with Gutierrez Associates for design of the corporate yard for \$195,000.

Director Page seconded the motion.

- Director Carey inquired if anyone has investigated the cost of bringing the current building up to code.
- General Manager Gray replied that there was a study done in 2004 and the recommendation was to demolish the building.
- Director Sarkovich stated that demolishing the building is the recommendation from the Board. The current building was designed as a lumber yard and not designed to run the water district.
- Director Page stated that he would like to move forward on the decision. He stated that there has been a lot of consideration on the topic.

- General Manager Gray recommended to the Board that one of the tasks for the selected architect would be a cost analysis of remodeling the current building versus a new building.
- Director Marx stated that he is hesitant to vote without the references vetted. Additionally, he inquired General Manager Gray's opinion of the bids.
- General Manager Gray stated that the labor rates were similar. The programming questions need to be asked to the firms to iron out the price.
- Director Sarkovich stated that the firms will likely give a positive reference.
- General Manager Gray stated that staff can research the provided references. He feels that FOWD staff and management will be doing more work with one firm and less work with the other.
- Director Sarkovich stated that if it is the Board's pleasure, he will attend a special meeting.
- Director McRae stated that he looked over the bids and really liked the value from Gutierrez Associates but really like the process of LDA partners. He feels that LDA has priced themselves out of the game but offer a high-quality service. He feels staff will need some flexibility to hire a part-time consultant to assist with the workload of the new building.
- Director McRae stated that neither firm was interested in temporary housing of the current staff. He feels that staff will have to do the majority of the work.
- Director Page stated that he agrees with the other Board members of the need to move forward. He liked that the firm is going to work well with the District. He liked Director's McRae comment that the District may need extra help.
- Director Marx stated that he likes Gutierrez and believes they will do a good job. He stated that the capital budget committee will have additional work related to the project.

Motion carried with the following votes: Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

Abstained – Carey

VI. DISCUSSION AND ACTION ITEMS: NEW BUSINESS

1. Update and discussion on FOWD water supply for the month of November 2018

- Operations Manager Nisenboym reported to the Board the status of FOWD water supply for the month of November 2018. During the month of November, the District saw 3.62" of rain. The District's consumption was higher than normal for the month likely due to the lack of rain for the first part of November. The consumption was 669.83 acre-feet. Wholesale water was recorded at 601.49 acre-feet with ground water producing 68.43 acre-feet.

2. Update and discussion on FOWD’s Risk Assessment

- General Manager Gray provided a report to the Board on FOWD’s risk assessment.

3. Discussion and possible action on FOWD Policy No. 5070: “Investment of District Funds”

- General Manager Gray recommended that the Board review and update FOWD policy no. 5070: “Investment of District Funds.”

No action taken.

4. Discussion and possible action on auditor renewal for 2018 year-end financial audit

- General Manager Gray recommended that the Board approve Richardson and Company to perform the District’s annual financial audit for 2018.

Director McRae moved to approve Richardson and Company LLP as the independent auditor to perform the District’s annual financial audit for 2018.

Director Marx seconded the motion.

- Director Page stated that he was in favor of this motion and likes the idea of changing auditors every 5 years.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

5. Discussion and possible action on Resolution No. 18-03: “Resolution to Amend CalPERS Employer Paid Member Contribution (EMPC) Contract”

- General Manager Gray recommended the Board approve the proposed resolution No. 18-03 “Resolution to Amend CalPERS Employer Paid Member Contribution (EMPC) Contract.”

Director McRae moved to approve resolution No. 18-03: “Resolution to Amend CalPERS Employer Paid Member Contribution (EMPC) Contract.”

Director Page seconded the motion.

- Director Sarkovich stated that the wording on the motion is vague and could be interpreted to include the General Manager.

Director McRae moved to amend his motion to approve resolution No. 18-03: “Resolution to Amend CalPERS Employer Paid Member Contribution (EMPC) Contract.” The first bullet will read as follows: “This benefit will apply to all employees, except contracted employees of the District hired before January 1, 2013.”

Director Page seconded the amended motion.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

6. Discussion and possible action on selection of Board President and Vice President for 2019

- General Manager Gray recommended that the Board select a Board President and Vice President for 2019.

Director Sarkovich nominated Mike McRae to be the Board president for the next year 2019 and Gary Page Vice President for 2019.

Director Marx second the motion.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

7. Discussion and possible action on nominations for the Sacramento LAFCo Special District Advisory Committee

- General Manager Gray recommended that the Board nominate a current Board member for the Sacramento LAFCo Special District Advisory Committee.
- Director Page stated that he was interested in the LAFCo Special District Advisory Committee.
- The FOWD Board approved the nomination of Director Page for LAFCo Special District Advisory Committee.

8. Discussion and possible action on additional funding for 2018 expenses

- General Manager Gray recommended the Board to authorize the General Manager to transfer \$8,000 from reserves to cover gas and oil expenses and office and equipment maintenance agreements.

Director McRae motioned to authorize the general manager to transfer \$8,000 from reserves to cover gas and oil expenses and office and equipment maintenance agreements.

Director Sarkovich second the motion.

Motion carried with the following votes: Carey – aye, Marx – aye, McRae – aye, Page – aye and Sarkovich – aye

VII. UPCOMING EVENTS

1. San Juan Water District Finance Committee Meeting / December 11, 2018 / SJWD Administration Building

- Information Only.

2. San Juan Water District Board Meeting / December 12, 2018 / SJWD Administration Building

- Information Only.

- 3. Water Forum Successor Effort Meeting / December 12, 2018 / WF Office Sacramento**
 - Information Only.
- 4. Fair Oaks Chamber of Commerce Business Luncheon / December 13, 2018 / Fair Oaks Community Club House**
 - Information Only.
- 5. Fair Oaks Water District Annual Holiday Celebration / December 19, 2018 / FOWD**
 - Information Only.

VIII. REPRESENTATIVE REPORTS

- 1. Sacramento Groundwater Authority (SGA)**
 - General Manager Gray informed the Board that SGA meets Thursday December 13, 2018.
- 2. Regional Water Authority (RWA)**
 - General Manager Gray provided the Board with RWA meeting agenda from the November 8, 2018 meeting.
- 3. Sacramento Water Forum**
 - General Manager Gray informed the Board that Sacramento Water Forum Successor Effort meets Thursday December 13, 2018.
- 4. Other**
 - None.

IX. DIRECTORS' REPORTS & COMMENTS

- 1. Budget Committee – (Sarkovich, Page)**
 - None.
- 2. Technical Advisory Committee – (Marx, McRae)**
 - None.
- 3. Capital Improvement Committee – (McRae, Sarkovich)**
 - None.
- 4. Personnel Committee – (Sarkovich, McRae)**
 - None.
- 5. Public Relations Committee – (Sarkovich, Page)**
 - None.

6. Wholesale Water Agreement Ad-Hoc Committee – (Sarkovich, Marx)

- Director Sarkovich stated that there isn't a current need for this committee, but he wants to keep it as a place holder for future needs.

7. Carmichael Water District Ad-Hoc Committee – (Sarkovich, Page)

- Director Sarkovich inquired if the Ad-Hoc Committee meeting has been scheduled with Carmichael Water District.
- General Manager Gray replied that the meeting has not been scheduled.

8. Other

- None.

X. GENERAL MANAGER'S REPORT

1. Monthly Maintenance Work Report

- Report provided; no discussion.

2. Capital Projects Status Reports

- Report provided; no discussion.

3. Authorizations of Additional Funding

- Report provided; no discussion.

4. Water Transfer Status Report

- Discussed earlier.

5. Claims Against District

- Report provided; no discussion.

6. Employee Update

- General Manager Gray reported that District still has an opening for a Distribution Operator I.

7. Water Issues – Update on Regional Involvement

- General Manager Gray reported on the regional water transfer.

8. Other

- None.

XI. PUBLIC COMMENT

- Visitor Babcock inquired about the Madison Well repair being done so soon after construction.
- General Manager Gray replied that there was a failure of the equipment installed.

President Marx closed the open session meeting at 8:45 p.m.

President Marx called the closed session meeting to order at 8:50 p.m.

XII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956

1. Conference on Anticipated Litigation (Subdivision (d) of Section 54956.9)

President Marx closed the closed session meeting at 10:05 p.m.

President Marx reopened the meeting to the public at 10:10 p.m.

XIII. REPORT FROM CLOSED SESSION

- Nothing to report.

XIV. PUBLIC COMMENT

- None.

XV. ADJOURNMENT

With no further business to come before the Board, President Marx adjourned the meeting at 10:10 p.m.

The Board approved the preceding minutes on January 14, 2019

Tom R. Gray
General Manager/Board Secretary

Date